

## Affordable Health Care

Federal health care reform, known as the **Affordable Care Act**, was established to increase the number of Americans with health insurance and to cut the overall costs of health care.

## Getting California Covered

Under the new law, each state is required to establish its own marketplace or to have one set up by the federal government. California was the first state in the nation to enact legislation to implement the provisions of the federal Affordable Care Act by creating a health care marketplace. The **California Patient Protection and Affordable Care Act** was enacted to reduce the number of uninsured by creating a marketplace where Californians can purchase affordable, quality health insurance and claim available federal tax credits and cost-sharing subsidies.

The California Health Benefit Exchange was established and tasked with creating California's marketplace – **Covered California**.

## Covered California

Covered California is the marketplace where legal residents of California can buy health insurance.

Californians who do not have health insurance from their employer or another government program can purchase health insurance through Covered California.

Enrollment will begin on October 1, 2013 for coverage that begins January 2014.



## Advantages of Covered California

When you purchase health insurance through Covered California, you will find:

- standardized policies for easier comparison
- new ranking system compares “apples-to-apples”
- catastrophic coverage up to age 30, or for individuals who are without coverage or experiencing hardship
- a cost-estimate calculator
- the only place you can use tax credits or cost-sharing subsidies to lower your cost
- cost-sharing subsidies to reduce your out-of-pocket health care expenses, such as co-pays
- help available in person, by phone, online and in multiple languages
- trained professionals available to offer help

Most people will be required to have health insurance by January 2014. Financial penalties for not enrolling will be phased in over three years. In 2014, the penalty will be 1% of annual income or \$95, whichever is greater.

For detailed information go to  
**[www.coveredca.com](http://www.coveredca.com)**

## Resources

**Covered California** - [www.coveredca.com](http://www.coveredca.com)

**California Health Benefits Exchange** -  
[www.healthexchange.ca.gov](http://www.healthexchange.ca.gov)

**Department of Health Care Services** - [www.dhcs.ca.gov](http://www.dhcs.ca.gov)

**Managed Risk Medical Insurance Board** -  
[www.mrmib.ca.gov](http://www.mrmib.ca.gov)

**HealthCare.gov** - Information on the Affordable Care Act

**211 California.org** - call 211 for health and human services referrals in your community

**Take Action California** - employee wellness program for small business - [www.takeactionca.cdph.ca.gov](http://www.takeactionca.cdph.ca.gov)



## Senator William W. Monning

CAPITOL OFFICE  
State Capitol, Room 4066  
Sacramento, CA 95814  
TEL 916.651.4017

DISTRICT OFFICES  
1026 Palm Street, Suite 201  
San Luis Obispo, CA 93401  
TEL 805.549.3784

99 Pacific Street, Suite 575 F  
Monterey, CA 93940  
TEL 831.657.6315

701 Ocean Street, Suite 318 A  
Santa Cruz, CA 95060  
TEL 831.425.0401

7800 Arroyo Circle, Suite A  
Gilroy, CA 95020  
TEL 408.847.6101

[senator.monning@senate.ca.gov](mailto:senator.monning@senate.ca.gov)  
<http://sd17.senate.ca.gov>

# AFFORDABLE HEALTH CARE



**Information on the  
Affordable Care Act  
and what it means  
to you**

## Making Insurance Affordable

Several new government programs will be available that offer financial assistance to lower the cost of health insurance including tax credits, cost-sharing subsidies and Medi-Cal assistance. Eligibility is based on family income and size.

## Tax Credits

Tax credits are available for individuals and families who meet income requirements and do not have access to health insurance through their employer or are ineligible for Medi-Cal or another government program.\*

Tax credits:

- lower your monthly premium
- help low- and middle-income families
- can be applied to the cost when you enroll
- can only be used if you enroll in a health plan through Covered California
- are paid to your plan by Covered California

## Cost-sharing subsidies

Cost-sharing subsidies protect lower-income people with health insurance from high out-of-pocket costs.\*

## Medi-Cal assistance

Beginning in 2014, Medi-Cal will cover more people under age 65, including people with disabilities and those with qualifying income levels.\*

\*For qualifying income levels, call (888) 975-1142 or visit [www.coveredca.com](http://www.coveredca.com)



## Important changes in the law

**Rate Increase Rules** – Insurers must justify premium increases and are required to spend 80% of premium dollars on quality health care, not administrative costs like salaries and marketing.

**No Lifetime Limits** – Insurers cannot set a maximum amount they'll pay during your lifetime.

**Preventive Care** – Plans must cover preventive care and screenings like mammograms, colonoscopies, breast-feeding support, contraception and domestic violence screening at **no out-of-pocket cost**.

**Essential Health Benefits** – Plans must cover:

- ambulatory patient care
- emergency service
- hospitalization
- maternity and newborn care
- mental health and substance abuse treatment
- prescription drugs
- rehabilitation services and devices
- lab services
- preventive and wellness services and chronic disease support
- pediatric services, including dental and vision

**New Tools to Choose** – plans will be grouped by cost and value so you can make apples-to-apples comparisons and see your expected costs.

In addition:

- plans must cover you even if you have a **pre-existing health condition**.
- your insurance **cannot be dropped** if you get sick.
- you **cannot be denied** coverage if you make a mistake when applying.
- **you can now cover your children to age 26**.



## If you need coverage before 2014

**If you do not currently have health insurance**, you do not have to wait until Covered California opens. You can contact private insurance companies or work with an agent. You may be eligible right now for coverage under Medi-Cal. For more information, contact the Department of Health Care Services at (800) 541-5555.

**If you have been turned down** because of a pre-existing medical condition, you could be eligible for coverage through the Managed Risk Medical Insurance Board (MRMIB). For more information visit [www.mrmib.ca.gov](http://www.mrmib.ca.gov).

**If you are not yet 26 years old** and your parents have health insurance, you can remain on their plan.

**If you are over age 65 or have certain disabilities**, you can receive coverage under Medicare.

## If you are a small business owner

While the new law does not require employers to provide health insurance for their employees, there are both penalties for not meeting the coverage requirement and tax incentives for small businesses that do.

Small business owners who currently do not offer health insurance, but choose to do so under the new law, will be eligible for tax credits. To determine your tax credit eligibility and learn more about how the California Health Exchange can benefit your business, visit [www.healthlawguideforbusiness.org](http://www.healthlawguideforbusiness.org) to find information on tax credits, cost savings and benefits associated with wellness and prevention programs.

